

STATEMENT OF PURPOSE

RS23720

This is a fiscal year 2015 supplemental appropriation for the Department of Health and Welfare for the Division of Medicaid.

This bill provides an additional \$3,761,000 of dedicated fund appropriation to account for an enhanced rebate that will be provided as the result of the purchase of pharmaceutical drugs that are designed to treat and cure patients with Hepatitis C.

This bill also shifts appropriation between General Funds, dedicated funds and federal funds for a net-zero impact on the Medicaid budget as the result of the Centers for Medicare and Medicaid (CMS) making changes that require the most current data to be used when calculating the Federal Upper Payment Limit (UPL). Therefore, Medicaid must use costs from the current Medicare cost reports, ultimately forcing the calculation of interim cost settlements with hospitals. The division estimates that it will process two to three times as many cost settlements in FY 2015 as compared to FY 2014. As a result of this change there is a fund shift that increases dedicated funds by \$59 million, reduces the General Fund by \$17.1 million, and reduces federal funds by \$41.9 million.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2015 Original Appropriation	210.00	492,347,100	187,726,100	1,353,216,800	2,033,290,000
3. Sovaldi Hep-C Drug Payments	0.00	0	3,761,000	0	3,761,000
8. Hospital Settlements	0.00	(17,110,000)	59,000,000	(41,890,000)	0
Fund Shift	0.00	(17,110,000)	59,000,000	(41,890,000)	0
FY 2015 Total Appropriation	210.00	475,237,100	250,487,100	1,311,326,800	2,037,051,000
Chg from FY 2015 Orig Approp	0.00	(17,110,000)	62,761,000	(41,890,000)	3,761,000
% Chg from FY 2015 Orig Approp.	0.0%	(3.5%)	33.4%	(3.1%)	0.2%

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